

Message Text

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ACTION STR-06

INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
SOE-02 OMB-01 DOE-11 XMB-02 OPIC-03 OIC-02 AF-10
ARA-10 EA-10 EUR-12 NEA-10 /161 W
-----058774 191512Z /43

P 191552Z JAN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 4921

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USMTN

STR PASS AMBASSADOR STRAUSS

STR PASS AMBASSADOR WOLFF

STR PASS CODEL

EO 11652: N/A
TAGS: MTN, ETRD
SUBJECT: MTN: GATT SECRETARIAT REQUESTS DC STATEMENTS ON
S & D IN TARIFF NEGOTIATIONS AT JAN 23 INFORMAL MEETING

1. PATTERSON (GATT DEPUTY DIRECTOR GENERAL) INFORMED MTN
DEL LAST WEEK OF SEC'S BELIEF THAT LDC'S WERE RESTIVE ABOUT
THE FACT THAT DC'S WERE TABLING INDIVIDUAL TARIFF OFFERS
WITHOUT PRIOR AGREEMENT ON SPECIAL AND DIFFERENTIAL
MEASURES. HE INDICATED THEY WERE UNDECIDED AS TO WHAT TO DO
IN THE SITUATION, PARTICULARLY GIVEN THE FACT THAT LDC'S
HAD WIDE DIFFERENCES AMONG THEMSELVES ON THIS ISSUE. HE
SUGGESTED THAT THE BEST WAY OF TREATING THIS ISSUE WAS FOR
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DEVELOPED COUNTRIES TO INCLUDE SPECIFIC REFERENCES TO
TARIFFS S&D IN THEIR INFORMAL STATEMENTS ON JAN 23.MTN
DEL CONCURRED GENERALLY AND INDICATED THAT THE U.S. BI-
LATERALLY COMMUNICATED TO LDC'S ITS VIEWS ON S&D AND
INVITED LDC TARIFF REQUESTS.

2. WE FURTHER RESPONDED THAT WE WERE PUZZLED BY PATTERSON'S

READING THAT LDC'S WERE RESTIVE. WE INDICATED THAT THE RESPONSE TO OUR LETTER ON S&D PLUS INFORMAL CONSULTATIONS WITH DELEGATIONS INDICATED ACCEPTANCE ON PART OF LDC'S THAT IT WAS NECESSARY TO PROCEED ON AN INFORMAL BASIS. SUBSEQUENT CONTACTS WITH PATTERSON STAFF INDICATED THAT LDC CONCERN WAS MORE POLITICAL THAN SUBSTANTIVE AND WAS FOCUSED ON THE FACT THAT DC'S HAD IGNORED AN IMPORTANT LDC PROCEDURAL BLOCK TO THE NEGOTIATIONS. IN ADDITION IT WAS REPORTED THAT U.S./EC DIFFERENCES ON S&D WERE DELIBERATE TO DIVIDE THE LDCS.

3. PATTERSON, ON HIS OWN INITIATIVE, CALLED A HIGH LEVEL MEETING OF LDC'S TO DISCUSS THE TARIFFS ISSUE JAN 13. THE OUTCOME OF THE MEETING, WE ARE TOLD, IS THAT LDC'S WOULD NOT PRESS FOR A MEETING OF THE TARIFFS GROUP TO FORMALIZE S&D, PROVIDED THAT DEVELOPED COUNTRIES WOULD SPEAK TO THE ISSUE OF S&D AND GUARANTEE ITS IMPLEMENTATION IN THEIR JAN 23 STATEMENTS. PATTERSON AS CHAIRMAN OF THE TARIFFS GROUP WAS ASKED TO COMMUNICATE THIS TO DEVELOPED COUNTRIES.

4. MTN DEL RECEIVED JAN 18 A LETTER FROM DIRECTOR GENERAL LONG OUTLINING THIS PROBLEM. THE DIRECTOR GENERAL, AS A RESULT OF HIS CONTACT WITH SEVERAL DEVELOPING COUNTRIES, ATTACHED A NOTE WHICH HE ASKED MTN DEL TO CALL TO AMBASSADOR STRAUSS' ATTENTION. THE SUBSTANTIVE PORTION OF THAT NOTE IS PARAPHRASED BELOW.
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5. DEVELOPING COUNTRIES "DEEPLY REGRET" THAT DEVELOPED COUNTRIES HAVE REACHED TENTATIVE AGREEMENT ON SOME ASPECTS OF A TARIFF PLAN WITHOUT SUCH A PLAN BEING FORMALLY APPROVED BY GROUP TARIFFS. IN EFFECT, THE CONSENSUS REACHED OVER A YEAR AGO THAT THERE BE PRIOR AGREEMENT ON SPECIAL AND MORE FAVORABLE TREATMENT ON PROCEDURES FOR LDC'S HAS BEEN INVALIDATED. IT IS THEREFORE THE VIEW OF MANY DEVELOPING COUNTRIES, SHARED BY THE DIRECTOR GENERAL, THAT IT IS "TO BE EXPECTED AND PROPER" THAT STATEMENTS BY DEVELOPED COUNTRIES ON OFFERS TABLED JAN 23 INCLUDE THE FOLLOWING ELEMENTS*

1. REAFFIRM THE DECISION TO "GRANT" MEANINGFUL, SPECIAL, AND DIFFERENTIAL TREATMENT.
2. DISPLAY FLEXIBILITY IN GRANTING S&D, PARTICULARLY THAT INDIVIDUAL DEVELOPED COUNTRIES, AGREE THAT THEY NOT MAKE S&D OFFERS CONDITIONAL ON SIMILAR ACTION BY OTHER LDC'S.
3. THAT DC'S CONSULT AND NEGOTIATE INDIVIDUALLY (PLURILATERALLY IF LDC'S WISH) ON THE PRECISE SCOPE AND APPLICATION OF S&D AND ON UNDERSTANDING THAT NO LIMIT WOULD BE ESTABLISHED PRIOR TO SUCH NEGOTIATIONS AS TO THE

PRECISE MEASURE IT WOULD TAKE.

4. AN INVITATION TO LDC'S TO MAKE KNOWN THEIR SPECIFIC REQUESTS.

6. COMMENT: MTN DEL BELIEVES THAT THE SECRETARIAT IS OVERREACTING TO LDCS. WE ARE IN CONTACT WITH JAPAN/EC ON THIS ISSUE AND THEY ARE CONCERNED WITH THE SECRETARIAT'S INIATIVE. WHEN I MEET WITH DIRECTOR GENERAL LONG LATER THIS MORNING, I WILL LET HIM KNOW THAT THE U.S. CANNOT GO AS FAR AS SUGGESTED IN HIS NOTE, BUT HAS SPOKEN AND WILL SPEAK CONSTRUCTIVELY ON S&D IN ITS STATEMENT ALONG THE LINES OF PARA 4 OF 77 GENEVA 10951. IT IS UNFORTUNATE THAT UNILATERAL STATEMENTS BY KEY DCS WILL ONCE AGAIN DRAW ATTENTION TO OUR DIFFERENCES ON THIS QUESTION BUT DAMAGE LIMITED OFFICIAL USE

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ACTION STR-06

INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
SOE-02 OMB-01 DOE-11 XMB-02 OPIC-03 OIC-02 AF-10
ARA-10 EA-10 EUR-12 NEA-10 /161 W
-----058764 191511Z /43

P 191552Z JAN 78

FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 4922

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SHOULD BE LIMITED BY THE INFORMAL NON DECISION MAKING
NATURE OF THE MEETING. END COMMENT.

7. DRAFTED BY GRAEF. MCDONALD

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Message Attributes

Automatic Decaptioning: X
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Decaption Date: 01 jan 1960
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Disposition Approved on Date:
Disposition Case Number: n/a
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Previous Handling Restrictions: n/a
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Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
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Review Markings:
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